

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY MARCH 16, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2313**

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**Introduced by Assembly Member Williams**

February 18, 2016

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An act to add *and repeal* Section 399.23 to the Public Utilities Code, relating to renewable energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 2313, as amended, Williams. Renewable natural gas: monetary incentive program for biomethane projects.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. Existing law requires the commission to adopt, by rule or order, (1) standards for biomethane that specify the concentrations of constituents of concern that are reasonably necessary to protect public health and ensure pipeline integrity and safety, as specified, and (2) requirements for monitoring, testing, reporting, and recordkeeping, as specified. Existing law requires the commission to require gas corporation tariffs to condition access to common carrier pipelines on the applicable customer meeting those standards and requirements. Existing law requires the commission to adopt policies and programs that promote the in-state production and distribution of biomethane, as defined, that facilitate the development of a variety of sources of in-state biomethane. The commission has adopted two decisions implementing these requirements, the second of which adopted a 5-year monetary incentive program *effective June 11, 2015*, for biomethane projects pursuant to which a qualifying project

is entitled to a one-time payment of 50% of the interconnection costs incurred by the biomethane producer, up to a total payment of \$1,500,000. Total cost of the monetary incentive program for biomethane projects is limited to \$40,000,000 over the 5-year life of the program.

This bill would require the commission to modify the monetary incentive program for biomethane projects so that the total available incentive limitation for a project, other than a dairy cluster biomethane project, as defined, is increased from \$1,500,000 to \$3,000,000. The bill would require the commission to increase the total available incentive limitation for a dairy cluster biomethane project to \$5,000,000 and would require that gathering lines for transport of biogas to a centralized processing facility for the project be treated as an interconnection cost. *The bill would require the commission to extend the program, as modified, until December 31, 2021.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 399.23 is added to the Public Utilities
- 2 Code, to read:
- 3 399.23. The commission shall ~~modify~~ *modify, and extend until*
- 4 *December 31, 2021*, the monetary incentive program for
- 5 biomethane projects adopted in Decision 15-06-029 (June 11,
- 6 2015), Decision Regarding the Costs of Compliance with Decision
- 7 14-01-034 and Adoption of Biomethane Promotion Policies and
- 8 Program, as follows:
- 9 (a) Except for a dairy cluster biomethane project, the total
- 10 available incentive limitation for a project shall be increased from
- 11 one million five hundred thousand dollars (\$1,500,000) to three
- 12 million dollars (\$3,000,000).
- 13 (b) For a dairy cluster biomethane project, the total available
- 14 incentive limitation shall be raised to five million dollars
- 15 (\$5,000,000). For purposes of this subdivision, a dairy cluster
- 16 biomethane project means a biomethane project of three or more
- 17 dairies in close proximity to one another employing multiple
- 18 facilities for the capture of biogas that is transported by multiple
- 19 gathering lines to a centralized processing facility where the biogas
- 20 is processed to meet the biomethane standards adopted by the

1 commission pursuant to subdivisions (c) and (d) of Section 25421  
2 of the Health and Safety Code and injected into the pipeline of the  
3 gas corporation through a single interconnection. Costs incurred  
4 for gathering lines for a dairy cluster biomethane project shall be  
5 treated as an interconnection cost.

6 *(c) This section shall remain in effect only until January 1, 2022,*  
7 *and as of that date is repealed, unless a later enacted statute, that*  
8 *is enacted before January 1, 2022, deletes or extends that date.*

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